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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART 111**

SEC FILE NUMBER
8-33797

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/16 AND ENDING 12/31/16
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Carter, Terry & Company, Inc.		OFFICIAL USE ONLY
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.) 3060 Peachtree Road, Suite 1200		FIRM I.D. NO.
Atlanta (City)	GA (State)	30305 (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Kristin Montet **(404) 364-2141**
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in the Report*

Rubio CPA, PC
(Name - if individual, state last, first, middle name)

900 Circle 75 Parkway SE, Suite 1100 (Address)	Atlanta (City)	Georgia (State)	30339 (Zip Code)
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- CHECK ONE:
- ☒ Certified Public Accountant
 - ☐ Public Accountant
 - ☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

**Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)*


SEC 1410 (06-02)

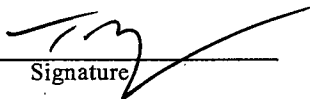
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OATH OR AFFIRMATION

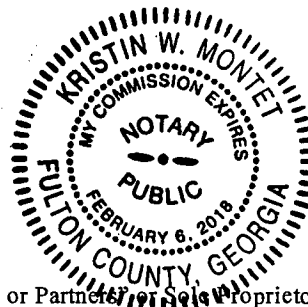
I, Timothy J. Terry, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Carter, Terry & Company, Inc. as of December 31, 2016, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:


Notary Public


Signature
President
Title

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.



****For conditions of confidential treatment of certain portions of this filing, see section 240.17z-5(e)(3).**

RUBIO CPA, PC

CERTIFIED PUBLIC ACCOUNTANTS

900 Circle 75 Parkway
Suite 1100
Atlanta, GA 30339
Office: 770 690-8995
Fax: 770 980-1077

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder of
Carter, Terry & Company, Inc.

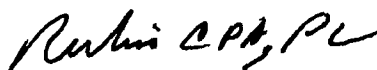
We have audited the accompanying financial statements of Carter, Terry & Company, Inc. which comprise the statement of financial condition as of December 31, 2016, and the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplemental information. Carter, Terry & Company, Inc. management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Carter, Terry & Company, Inc. as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

The information contained in Schedules I, II and III has been subjected to audit procedures performed in conjunction with the audit of Carter, Terry & Company, Inc. financial statements. The information is the responsibility of Carter, Terry & Company, Inc. management. Our audit procedures included determining whether the information in Schedules I, II and III reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the accompanying schedules. In forming our opinion on the accompanying schedules, we evaluated whether the supplemental information, including its form and content, is presented in conformity Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the aforementioned supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

February 27, 2017
Atlanta, Georgia



RUBIO CPA, PC

CARTER, TERRY & COMPANY, INC.

STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2016

ASSETS

Cash and cash equivalents	\$	337,172
Deposits with clearing organizations		70,000
Due from Clearing Broker		177,780
Securities owned		4,873
Advances to officers and employees		44,948
Other Receivables		12,262
Notes Receivable From Brokers		155,000
Prepaid expenses		81,742
Total current assets		<u>883,777</u>

\$ 883,777

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities:

Accrued expenses	\$	242,172
Unearned Revenue		64,130
Taxes Payable		500
Due to holding company		6,950
Total current liabilities		<u>313,752</u>

Stockholder's equity:

Common stock: \$1 par value, 10,000 shares authorized; 2,472 shares issued and outstanding		2,472
Additional paid-in capital		386,304
Retained earnings		181,249
Total stockholder's equity		<u>570,025</u>

\$ 883,777

The accompanying notes are an integral part of these financial statements.

CARTER, TERRY & COMPANY, INC.

STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2016

Revenues:

Commission income	\$ 3,006,864
Investment banking	559,681
Loss on securities owned	(52,167)
Mutual Fund and 12b1 Fees	37,107
Interest income	13,283
	<u>3,564,768</u>

Expenses:

Management fee to parent	360,000
Commission expense	2,402,677
Employee compensation and benefits	210,856
Clearing costs	172,569
Occupancy	300,000
Communication	63,922
Registration fees	45,773
Other operating expense	18,482
	<u>3,574,279</u>

Net loss before income taxes (9,511)

Income taxes:
Income taxes

-

NET LOSS \$ (9,511)

The accompanying notes are an integral part of these financial statements.

CARTER, TERRY & COMPANY, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss \$ (9,511)

Adjustments to reconcile net loss to net cash provided by
operating activities:

Changes in operating assets and liabilities:

Prepays	(52,964)
Notes Receivable from brokers	(155,000)
Receivables	(56,316)
Securities owned	(4,413)
Other Receivable	(12,262)
Advances to officers and employees	(9,306)
Unearned Revenue	64,130
Taxes Payable	500
Accounts payable and accrued expenses	48,141
Due to holding company	5,000
Due From holding company	47,000
Net cash used by operating activities	<u>(135,001)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Capital contribution 150,000

Net cash provided by financing activities 150,000

NET CHANGE IN CASH AND CASH EQUIVALENTS 14,999

CASH AND CASH EQUIVALENTS, beginning of year 322,173

CASH AND CASH EQUIVALENTS, end of year \$ 337,172

SUPPLEMENTAL DISCLOSURE INFORMATION

Securities compensation received \$ 125,395

The accompanying notes are an integral part of these financial statements.

CARTER, TERRY & COMPANY, INC.

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
YEAR ENDED DECEMBER 31, 2016

	Common Stock		Contributed	Retained	Total
	Shares	Amount	Capital	Earnings	Stockholder's
					Equity
Balances, January 1, 2016	2,472	\$ 2,472	\$ 236,304	\$ 190,760	\$ 429,536
Additions to Capital			150,000		150,000
Net Loss				(9,511)	(9,511)
Balances, December 31, 2016	<u>2,472</u>	<u>2,472</u>	<u>386,304</u>	<u>181,249</u>	<u>570,025</u>

The accompanying notes are an integral part of these financial statements.

CARTER, TERRY & COMPANY, INC.
(a wholly-owned subsidiary of First Atlanta Financial Services, Incorporated)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

1. Description of Business and Summary of Significant Accounting Policies:

Description of Business

Carter, Terry & Company, Inc. (the "Company") is a registered broker-dealer headquartered in Atlanta, Georgia. The Company is registered with the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA"). The Company is engaged in securities brokerage and investment banking services primarily in the Atlanta area. The Company is a wholly-owned subsidiary of First Atlanta Financial Services, Incorporated ("First Atlanta"), and both companies are operated under common management.

Cash and Cash Equivalents

The Company defines cash equivalents as highly liquid investments, with original maturities of less than 90 days, which are not held for sale in the ordinary course of business.

Revenue Recognition

Commission income related to customer accounts is reported on a settlement date basis, which approximates a trade date basis. Revenues from investment banking fees are recognized when earned in accordance with the terms of service agreements with its clients. This occurs when the Company has provided all services and has no further obligations under the agreement, which for investment banking activities typically occurs when the transaction relating to the agreement has consummated.

Income Taxes

The Company and First Atlanta file a consolidated income tax return. Under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*, the consolidated amount of current and deferred tax expense for a group that files a consolidated tax return should be allocated among the members of the group when those members issue separate financial statements. As allowed under ASC 740, the Company calculates current and deferred tax effects as if it were a separate taxpayer. To the extent that this calculation results in items which would be recorded on the balance sheet of a standalone taxpaying entity, such as income taxes payable and deferred tax assets and liabilities, the Company adjusts its balance due from or due to First Atlanta. The current income tax effect is described in Note 8.

The difference between the financial statement and tax basis of assets and liabilities is computed annually. Deferred income tax assets and liabilities are computed for those differences that have tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce deferred tax asset accounts that will more likely than not be unrealized. Income tax expense is the current tax payable or refundable for the period, plus or minus the net change in the deferred tax asset and liability accounts.

The Company has adopted the provisions of FASB Accounting Standards Codification 740-10, Accounting for Uncertainty in Income Taxes. Under FASB ASC 740-10, the Company is required to evaluate each of its tax positions to determine if they are more likely than not to be sustained if the taxing authority examines the respective position. A tax position includes an entity's status, and the decision not to file a return.

The Company has evaluated each of its tax positions and has determined that it has no uncertain tax positions for which a provision or liability for income taxes is necessary.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management evaluates conditions occurring subsequent to the most recent financial statement reporting period for potential financial statement or disclosure effects. No subsequent events have been identified by management through the date the financial statements were issued.

2. Concentration of Credit Risk:

The financial instruments which potentially subject the Company to concentrations of credit risk are cash and cash equivalents and receivables. The Company maintains cash and cash equivalents with financial institutions which are variously insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 at each depository institution, or by the Securities Investor Protection Corporation ("SIPC") against the financial failure of the relevant brokerage firm up to \$500,000, with a specific limit of \$100,000 for cash. At December 31, 2016, the Company maintained no cash balances with FDIC or SIPC-insured institutions in excess of these amounts. Cash and cash equivalents on the statement of financial condition includes money market mutual fund balances which exceed \$100,000. Such balances typically qualify as securities for SIPC coverage in the event of financial failure of the brokerage firm, though not as protection against potential loss of market value.

Management does not believe a credit risk concentration relating to receivables exists due to the financial stability of the two clearing organizations from whom the receivable balance is due.

3. Securities Owned:

Securities owned consist entirely of marketable equity securities of publicly traded companies, normally acquired from the issuer companies as compensation for services. The Company reports these investments at fair value. Changes in unrealized gains and losses due to market price changes of shares held are included in current year earnings. Realized gains and losses from securities sales and unrealized gains and losses are each reported in the statement of operations. Fair values of the securities owned are based on quoted market sources. Realized gains and losses are determined on the basis of specific identification.

4. Receivables consist of commissions due from the Company's two clearing organizations that were collected in January 2017, therefore no allowance for doubtful accounts is necessary for these balances at December 31, 2016.

5. Advances to Officers and Employees:

Advances are due on demand from various officers and employees, and carry no stated interest rate.

6. Fair Value Measurements:

FASB ASC 820, *Fair value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified in ASC 820, are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad areas:

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 – inputs to the valuation methodology are:

- * Quoted prices for similar assets or liabilities in active markets.
- * Quoted prices for identical or similar assets or liabilities in inactive markets.

* Inputs other than quoted prices that are observable for the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability, and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability, including assumptions regarding risk.

Investments as measured at fair value on a recurring basis by input type consisted of the following at December 31, 2016:

	Fair Value Measurements			
	Using Input Type			Total
	Level 1	Level 2	Level 3	
Common stock – small cap	\$ 4873	-0-\$	-0-\$	4873

7. Notes Receivable

The notes receivable contains provisions for forgiveness of principal (and accrued interest under certain conditions) if the financial advisor meets specified revenue production levels or length of service. The forgiveness determination is made at specified intervals. The Company amortizes the principal balance of the forgivable notes (along with accrued interest under certain conditions) over the contractual term of the note. In the event the financial advisor does not meet the specified production level, the scheduled principal and interest are due. The Company intends to hold the notes for the term of the agreements. The maturity date of the loan with the latest maturity is March 2021.

8. Contingencies and Commitments:

The Company can be subject to litigation, arbitration settlements, and regulatory assessments which arise in the ordinary course of business as a registered broker-dealer. The Company recognizes a liability and expense for any such matters at the time exposure to loss is more than remote and an amount of the loss is reasonably determinable. In the opinion of management, there are no outstanding matters at December 31, 2016 requiring contingent loss recognition.

9. Income Taxes:

The provision for income taxes consists of the following:

Current tax benefit	\$ 2700
Deferred tax expense	\$ (2700)

The Company files a consolidated federal tax return with its Parent and records its share of the consolidated federal tax expense on a separate return basis. The current tax benefit represents the effects of the 2016 loss. Deferred income taxes are provided for the temporary differences between the assets and liabilities for financial and income tax purposes. There are no significant book/tax, timing differences at December 31, 2016, other than a deferred tax asset arising from a net operating loss carryforward that is offset in full by a valuation allowance, and therefore no deferred tax assets or liabilities are reflected in the accompanying financial statements.

10. Related Party Transactions:

The Company is party to an expense sharing agreement with First Atlanta. First Atlanta is the lessee of the property occupied by the Company, and also provides various office supplies, equipment and furniture, health insurance, and management and administrative services to the Company. During the year ended December 31, 2016, the Company paid First Atlanta \$300,000 for rent and \$360,000 for other expenses, which are aggregated as management fees.

11. Net Capital Requirements:

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (15c3-1) (the "Rule"), which requires the maintenance of minimum net capital. The Rule prohibits the Company from engaging in securities transactions at any time the Company's net capital, as defined by the Rule, is less than \$100,000, or if the ratio of aggregate indebtedness to net capital, both as defined, exceeds 1500% (and the rule of "applicable" exchange provides that equity capital may not be withdrawn, or cash dividends paid, if aggregate indebtedness exceeds 1000% of net capital).

At December 31, 2016, the Company has net allowable capital of \$268,481, which is \$168,481 in excess of the required net capital of \$100,000. The Company's percentage of aggregate indebtedness to net capital is 116.86% as of December 31, 2016. Certain securities owned and other current assets reflected in the accompanying financial statements are not allowable assets for the purpose of computing minimum net capital under the Rule. The Company's exemption from the reserve requirements of Rule 15c3-3 (Customer Protection Rule) is under the provisions of Paragraph (k)(2)(ii), in that the Company may receive but does not hold customer or other broker or dealer securities.

12. Retirement Plans:

The Company has adopted a 401(K) plan covering substantially all employees to which the Company may make discretionary employer contributions. There were no employer contribution to the plan during 2016.

SCHEDULE I
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
December 31, 2016

COMPUTATION OF NET CAPITAL

Total Stockholder's Equity from Statement of Financial Condition	\$	570,025.00
Deduct stockholder's equity not allowable for net capital	\$	-
Total Stockholder's equity qualified for net capital	\$	570,025.00
Add:		
Non-allowable assets:	\$	-
Advances to related parties	\$	(44,948.00)
Prepaid expenses	\$	(81,742.00)
Note Receivable	\$	(155,000.00)
Other additions and/or credits	\$	(12,262.00)
Net capital before haircuts on securities positions (tentative net capital)	\$	276,073.00
Haircuts on securities:		
Money market assets	\$	(2,719.00)
Other securities	\$	(4,873.00)
Net Capital	\$	268,481.00

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required	\$	20,583.00
Minimum dollar net capital requirement of reporting broker-dealer	\$	100,000.00
Net capital requirement (greater of above)	\$	100,000.00
Excess net capital	\$	168,481.00

**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
December 31, 2016**

AGGREGATE INDEBTEDNESS

Total aggregated indebtedness liabilities from State of Financial Condition	\$ 313,752.00
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Total aggregate indebtedness	\$ 313,752.00
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Percentage: Aggregate indebtedness to net capital	116.86%
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RECONCILIATION WITH COMPANY'S COMPUTATION (included in Part II of Form X-17A-5 as of December 31, 2016)

Net capital as reported in Part II, Form X-17a-5 is	\$273,481
Effect on net capital of recording forgiveable loans	<u>\$ (5,000.00)</u>
Net capital as reported above	\$ 268,481.00

RUBIO CPA, PC

CERTIFIED PUBLIC ACCOUNTANTS

900 Circle 75 Parkway
Suite 1100
Atlanta, GA 30339
Office: 770 690-8995
Fax: 770 980-1077

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder of
Carter, Terry & Company, Inc.

We have reviewed management's statements, included in the accompanying Broker Dealers Annual Exemption Report in which (1) Carter, Terry & Company, Inc. identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Carter, Terry & Company, Inc. claimed an exemption from 17 C.F.R. § 240.15c3-3: (k)(2)(ii) (the "exemption provisions"); and, (2) Carter, Terry & Company, Inc. stated that Carter, Terry & Company, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Carter, Terry & Company, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Carter, Terry & Company, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii), of Rule 15c3-3 under the Securities Exchange Act of 1934.

February 27, 2017
Atlanta, GA



RUBIO CPA, PC

CARTER TERRY


3060 PEACHTREE ROAD, NW
SUITE 1200
ATLANTA, GEORGIA 30305

404.364.2070
US WATS 1/800.848.9555
FAX 404.364.2079

BROKER DEALERS ANNUAL EXEMPTION REPORT

Carter, Terry & Company, Inc. claims an exemption from the provisions of Rule 15c3-3 under the Securities and Exchange Act of 1934, pursuant to paragraph (k)(2)(ii) of the Rule.

Carter, Terry & Company, Inc. met the aforementioned exemption provisions throughout the most recent year ended December 31, 2016 without exception.



Timothy J. Terry
January 3, 2017

RUBIO CPA, PC

CERTIFIED PUBLIC ACCOUNTANTS

900 Circle 75 Parkway
Suite 1100
Atlanta, GA 30339
Office: 770 690-8995
Fax: 770 980-1077

**CARTER, TERRY & COMPANY, INC.
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES
ON SCHEDULE OF ASSESSMENT AND PAYMENTS (FORM SIPC-7)**

To the Stockholder of Carter, Terry & Company, Inc.


In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2016, which were agreed to by Carter, Terry & Company, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating Carter, Terry & Company, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Carter, Terry & Company, Inc.'s management is responsible for Carter, Terry & Company, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences;
2. Compared the Total Revenue amounts of the audited Form X-17A-5 for the year ended December 31, 2016, with the amounts reported in Form SIPC-7 for the year ended December 31, 2016, noting no differences;
3. Compared adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences; and,
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

February 27, 2017
Atlanta, GA



RUBIO CPA, PC

SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION

P.O. Box 92185 Washington, D.C. 20090-2185

202-371-8300

General Assessment Reconciliation

For the fiscal year ended 12/31/2016

(Read carefully the instructions in your Working Copy before completing this Form)

SIPC-7

(33-REV 7/10)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

16*16*****1929*****MIXED AADC 220

33797 FINRA DEC

CARTER TERRY & COMPANY INC

3060 PEACHTREE ROAD NE SUITE 1200

ATLANTA GA 30305

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

Kristin Montet
404-344-2070

2. A. General Assessment (item 2e from page 2)

\$ 7,198.10

B. Less payment made with SIPC-6 filed (exclude interest)

(3405.64)

Date Paid

7/20/2016

C. Less prior overpayment applied

(_____)

D. Assessment balance due or (overpayment)

3,792.46

E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum

F. Total assessment balance and interest due (or overpayment carried forward)

\$ 3,792.46G. PAYMENT: ☒ the boxCheck mailed to P.O. Box ☐ Funds Wired ☐

Total (must be same as F above)

\$ 3,792.46

H. Overpayment carried forward

\$(_____)

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Carter Terry & Co Inc
(Name of Corporation, Partnership or other organization)

(Authorized Signature)

Dated the 8 day of February, 2017.

President
(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates:

Postmarked

Received

Reviewed

Calculations

Documentation

Forward Copy

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT**

Amounts for the fiscal period
beginning 1/1/2016
and ending 12/31/2016

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

Eliminate cents

\$ 3,564,768

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.
(See Instruction C):

(Deductions in excess of \$100,000 require documentation)

- (9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. \$ _____

- (ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$ _____

Enter the greater of line (i) or (ii)

Total deductions

2d. SIPC Net Operating Revenues

2e. General Assessment @ .0025

512,958

172,569

685,527

\$ 2,879,241

\$ 7198.10

(to page 1, line 2.A.)